

Entry 122 and 83

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GSA FORM 6801-C (REV. 1-73)

RG 38 (Chief of Naval Operations)

OFFICE OF NAVAL INTELLIGENCE
(General Files)

PLANS FOR INTELLIGENCE SERVICE THROUGH
COMMERCIAL FIRMS (1915-31)

SECRET LISTS OF AGENTS (1917-20)

Box No. 1 of 1

Entry 122 -

NAVY DEPARTMENT
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

In reply refer to No.

~~Confidential~~

9 October 1933.

Memorandum for Foreign Desks.

Subject: Information desired from newly established contact.

1. We have recently established connections with two gentlemen who have wide-spread business contacts in Europe, Asia and Central and South America. One of them will leave soon on a European trip and one on a Mexican and South American trip. We wish to furnish these gentlemen with outlines of what information we wish them to obtain for us through their business contacts and during their trip. It is the desire to restrict the outline to anywhere from six to a dozen points regarding which we really stand in need of information. It is requested that each desk submit such a list of points regarding which they desire information and which might probably be obtained by a traveler or through business correspondence.

G. C. Legan

H. Bryan

W. M. Munn ✓

Col Pratt ✓

Atk M

Maj Davis ✓

~~Confidential~~

All are loyal Americans, trustworthy and intelligent, have great responsibilities, and a large staff in all important centers in their territory.

India-----Mr. Dundas, a very good man but a Scotchman and a British subject. He is the Singer Sewing Machine Company's Manager for British India. Has a very large staff and a representation in every community great and small. Suggest indirect connection through the New York office; get New York office to have him report to them without apparent connection with O.N.I. The best man to see in New York is Mr. Meyer, the President, or Mr. W. B. Walker, senior Vice-President, Director, and in charge of Far Eastern offices; also Mr. Parker, (recently made a Director), formerly Manager, South China Division.

Mr. Tobin of the New York Office, formerly General Foreign Agent of the Singer Company could put one in touch with their organization.

Good connections throughout most countries of the world could be made through the National City Bank which has branches in most important ports. Their general managers and assistants are very reliable. Some are British subjects and should not be informed of any connection with O. N. I.

That completes the notes made from Mr. Catlin's talk which I hope will be helpful to you.

Yours very truly,

/s/ Charles H. Shaw,
Commander, U. S. N.

~~CONFIDENTIAL~~

GWV:1001

A-1.

May 7, 1919.

Memorandum in regard to Collection of Information from
American Firms.

1. The fundamental idea is to use the agencies of American Firms, doing business in foreign countries, for the collection of information which would be useful in estimating the situation as regards a possible enemy's preparedness, his intentions and his actual and potential resources. The selected firms with their foreign agencies are shown on the attached list.

2. It is proposed that each firm be interviewed through one of its responsible officers and an arrangement entered into by which it will forward to the Office information which may come into its possession and which would be useful for the purposes stated above. Having received the acquiescence of the firm concerned, with this plan, it should be furnished with a list of the information which it is deemed best fitted to supply. As an example; The U. S. Steel Corporation could with ease keep the Office fully informed as to the amount of iron and steel produced in, exported from and imported into, the country where it is doing business, and the character of the material and the purpose for which it is to be used. Such information in regard to the steel business as is now available and which could be obtained from official reports from the countries concerned or from U. S. Commercial Agents, would give the amount according to General Classes. The Steel Corporation, however, knows the exact character and the purpose for which each shipment is intended.

3. Each firm should be asked to designate, among the personnel of its Branch Office, a discreet and observing employe who should act as an Intelligent Agent in regard to the matters assigned him and who should keep the Naval Attache informed as to the conditions and trade movements in his district. A further development would be for this employe in particular instances to forward direct, by cable if necessary and in code, important information to the Home Office for further transmission to the Office of Naval Intelligence.

4. Information thus furnished would naturally fall into two classes.

First: That which is of a strictly confidential nature, which if it became public would work to the disadvantage of the firm furnishing it, either earning for the firm the animosity of the foreign country or through divulging trade secrets to business rivals. This information should be communicated by the agent in the District to the Naval Attache, or by the firm's representative in the Home Office, then direct to the Office of Naval Intelligence. Such information would be for the most restricted circulation and only in very particular cases and by express permission of the firm furnishing it, given to other governmental offices than War and State.

It is to be understood, of course, that the source of information is never to be divulged by the Office of Naval Intelligence except in accordance with the wishes of that source.

Second: Information whose publication could do no hurt either to the firm or to the nation involved. For convenience, this information could be given to the Consul Officer by the agent in the foreign country or in case of information being on hand in the Home Office it could be given by such Home Office to the Naval Intelligence Officer of the District.

the information in each case following official courses, to the O. N. I.

Navy Department
Intelligence Office

Third Naval District
Washington & Christopher Streets
New York, N. Y.

CONFIDENTIAL

2 March 1934.

Dear George:

Mr. Melbert Brinkeroff Cary, Jr., an American citizen, graduate of Yale, 1916, formerly with Remington Rand, Inc., is planning a visit to Japan and China in the early spring.

He expects to remain in the Far East from four to six months and will spend his time out there travelling on a pleasure trip.

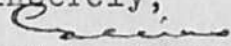
I understand from a friend of Mr. Morris Hadley, who is closely associated with Mr. Cary, that Mr. Cary is well versed in Japanese conditions, having spent many years out there.

I have not yet met Mr. Cary, but I understand that he will probably be in a position through contact to obtain valuable information.

If the Director feels that he wishes to make use of Mr. Cary's services, I should be glad if you will let me know.

I will then arrange to meet Mr. Cary to find out if he will assist, and shall also find out when he will sail.

Sincerely,


JULIAN H. COLLINS.

Commander George C. Logan, U. S. N.,
Office of Naval Intelligence,
Navy Department, Washington, D. C.

UNITED STATES FLEET
DESTROYER SQUADRON TWO, BATTLE FORCE
U. S. S. LITCHFIELD (336), Flagship

CONFIDENTIAL.

U.S.S. ALTAIR,
San Diego, California.
27 November 1931.

My dear Barnes:

In 1919 we prepared a list of leading firms engaged in foreign trade. We then submitted this list to War Trade Board, M.I.D., Department of Justice, State Department and other departments of the Government having files pertinent to the matter and thus weeded out such firms whose loyalty to the U.S. might be open to question. The list remaining contained U.S. Steel Corporation, Westinghouse, Western Electric, National Cash Register, Armours, Swift, a paint and varnish firm in Cleveland, and some others that I do not recall.

Confidential letters were then written to the heads of these firms requesting them to grant an interview to a representative of O.N.I. in the near future. All replied favorably.

In April 1919, I proceeded to New York, Cleveland, Cincinnati, Dayton, Chicago, etc., and interviewed the heads of the firms on my list. All agreed that if O.N.I. desired their cooperation, they were ready to help. An officer from O.N.I. would call on them confidentially, outline the manner in which O.N.I. desired them to assist and in general, arrange for the manner of cooperation or for obtaining the information desired. It was agreed that O.N.I. would not make a request that would embarrass the firm in its foreign trade relations and that should such a contingency be foreseen, the firm would at once frankly inform O.N.I. The possibilities foreseen were to obtain a line on shipments of war materials to a country (Orange being under suspicion), the inclusion of an O.N.I. operative on the pay roll of the firm, etc. No definite scheme could be evolved until it was known just what information was desired, and the visit of the officer from O.N.I. to the firm to discuss plans was decided the most practicable.

All heads of firms interviewed were most cordial and subsequently F.F. Rogers went to New York on such a mission as outlined. I do not recall the nature or result of his mission.

deemed advisable to make further inquiries concerning these firms and at a conference with Lieutenant Commander Hasler, Mr. Ashbel Green, Secretary of the "New York Stock Exchange", and Mr. Abel I. Smith, formerly of the New York Branch Office, a number of names on this list were stricken off it being known that some individual was not reliable or that their foreign representatives were not American; for example: The President and Secretary of Wm. E. Peck & Company is a man, named Wolfe, of German parentage whose business connections were entirely German.

✓ 3. On April 30th, I called on Mr. James Farrell of the U.S. Steel Corporation, 71 Broadway, Room #1816. Mr. Farrell stated that he would be very glad to cooperate with the Office of Naval Intelligence in any way possible with the proviso, however, that his dealings should be directly with the Office of Naval Intelligence and their authorized representatives or with Officers of the regular Navy. For some reason, Mr. Farrell did not place much confidence in Reserve Officers but when assured that his dealings would be with Officers of the regular Navy he agreed to render every assistance. He suggested that should any specific information be desired, an Officer from this Office call on him to indicate exactly what information was desired. He expressed a preference for interviews rather than correspondence.

✓ 4. On May 2d, I called on Mr. J. G. White, of the J. G. White Construction Company, 23d Floor of #43 Exchange Place & 37 Wall Street, and on Mr. Rice, President of the General Electric Company, #120 Broadway.

Both of these gentlemen are in full accord with the aims of this Office and promised their support in any way possible.

✓ 5. On May 5th, I had a conference with Mr. Hunt, Mr. Ashe and Mr. Cole, of the Standard Oil Company. Mr. Cole informed me that they have, for some years, been furnishing information not only to this Office but to the Naval Attache and that they will be glad to continue to do so. He suggested that if it should become desirable for them to take our agent up on their pay roll, an Officer be sent to confer with him and thus avoid any difficulties that might arise. Mr. Hunt is sending the following substance of a letter to their trusted agents:

"Dear Sir:

You are authorized to cooperate with the United States Naval Attache in the acquirement of information of interest to the United States Navy. This information to include not only information specifically naval, but also information of a military nature; or such as would affect the military or naval situation.

The Naval Attache will be instructed by the Office of Naval Intelligence to call upon you for the development of cooperation.

Very truly yours,"

6. This left three men in New York to be called on, at some future date, Mr. McRoberts, President of the National City Bank, International Banking Corporation, etc.; General Trippe, President of the Westinghouse Electric Company, 165 Broadway, and Mr. Whaley of the Vacuum Oil Company.

7. On May 6th, I called on Mr. Phillips, Vice President of the American Multigraph Company, Cleveland, Ohio, and had a conference with him

informing him of the purpose of my mission. He promised to cooperate to the best of his ability, confining the subject matter to only strictly American agents abroad.

8. On May 7th, I called on Mr. C. E. Steffey, General Sales Manager and Foreign Sales Manager of the National Cash Register Company. Most of the foreign departments of this company are under foreigners. In Japan, the American Trading Company handles their trade. However, the National Cash Register Company's representative makes about one or two trips a year to the Far East. He is thoroughly American and can be trusted. Mr. Steffey promised to furnish this Office with any information obtained from abroad and furthermore promised the assistance of their representative at any time while on his trips through the Far East. In this connection, it is suggested that should any specific information be desired Mr. Steffey, or the National Cash Register representative, be interviewed in person.

9. I called on the General Manager of Ault and Waburg, Cincinnati, Ohio. This firm is apparently thoroughly reliable, but on account of Mr. Ault being absent on a trip in the Far East, I did not take up the question of agents of this Office with the General Manager. The General Manager promised to furnish this Office with any information that might be obtained.

10. In Chicago, I called on Mr. Louis Swift of Swift & Co. and requested him to inform us in the event of their receiving contracts from foreign Governments for large shipments such as would be needed preliminary to a mobilization of military operations of any kind. Mr. Swift agreed

to do this and also to furnish us with any information that might be obtained through Libbey & Company.

11. No one was visited in Kansas City as the firm selected originally was not considered reliable.

12. At Mattoon, Illinois, I requested Mr. Donald B. Craig, a graduate of the Naval Academy, Class of 1904, a Lieutenant Commander of the Fleet Reserve, now on the inactive list, and a member of the Law Firm of Craig & Craig, to request any reliable Americans of his acquaintance, who might make trips abroad, to let him know anything that might be of interest to the Navy. I further discussed with Mr. Craig the possibility of his assignment to duty in this Office in case of a future mobilization. I consider him a most reliable man for duty in this Office and his legal training, connected with his knowledge of the Navy, should be most valuable to this Office in a future emergency.

13. In all of the above calls the conversations were with individuals of the firm and strictly confidential. The persons called on were requested to address information furnished us as follows: "Director of Naval Intelligence, Navy Department, Washington, D. C., lower left-hand corner Personal".

14. It is recommended that a letter be addressed to the various individuals called upon thanking them for their promise of cooperation. It is further recommended that our Naval Attaches be informed that these firms have promised to cooperate and to consult with agents abroad as to the best

method of cooperation in the respective foreign countries. Should, at any time, specific information be desired, it is recommended that an officer be designated to call on a member of the firms already visited and outline the specific information desired, and that as little correspondence be conducted as possible.

Commander, U.S.N.